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SIPDIS

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SUBJECT: GOI CLARIFIES SCAJOLA REMARKS ON UKRAINE-RUSSIA
GAS IMBROGLIO

REF: STATE 17066

Classified By: Acting Economic Counselor Richard Boly, reasons 1.4 b and d

11. (C) Summary. During a February 1 meeting with Econoff, Ministry of Productive Activities (MPA) Diplomatic Advisor Ambassador Gabriele Checchia backed away from MPA Minister Claudia Scajola's statement that Ukraine is "taking" Russian gas meant for Italy, and said Italy will support Ukrainian efforts to negotiate a fair and transparent gas agreement. Checchia was not optimistic that the GOI will be able to obtain details on the role of RosUkrEnergio in the deal being negotiated. End summary.

12. (C) Econoff met with Checchia February 1 to discuss the outcome of Scajola's trip to Moscow. According to Checchia, Russian Energy Minister Viktor Khristenko is a technocrat who is approaching the negotiations pragmatically, trying to avoid politicization of the process. Regarding Minister Scajola's comment, reported in the press, that Ukraine is "taking gas meant for Italy," Checchia said that Italy "understands and supports Ukraine's position." Checchia said that Italy has been a friend Ukraine's in the past, citing Scajola's role in securing EU recognition of Ukraine's market economy last year, and said the Italian Ambassador in Kiev has met with Ukrainian officials to assure them of Italy's continued support.

13. (C) Checchia professed not to know that Naftohaz Ukrainy is negotiating a joint venture with RosUkrEnergio and said it would be very difficult to find out what is the substance of the negotiations between Russia and Ukraine or between RosUkrEnergio and Naftohaz Ukrainy. Nonetheless, he agreed that public statements by EU Member State officials should be calibrated to support Ukraine in its efforts to negotiate a transparent, market-based agreement that will ensure reliable gas flows to western Europe, including Italy.

14. (SBU) Comment. Italy imports 30 percent of its natural gas from Russia. Supply shortfalls mean that gas deliveries to some Italian customers have been interrupted and that Italy may have to tap into its gas reserves. This issue has received a great deal of attention in the press, and Checchia made it clear that Scajola's trip to Moscow and his comments there were in part intended to let Italian voters know the government is working to address the situation. Checchia's professed ignorance of the role of RosUkrEnergio is curious, as he is usually a well-informed and candid interlocutor. That said, our experience in recent weeks has been that GOI officials are reluctant to discuss with us the politically and economically sensitive issue of problems in the gas supply chain. End comment.
SPOGLI